

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]

22nd April, 2026

Quorum: **Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson**
Sri K. Srinivasa Rao, Hon'ble Member
Sri Laxmi Narayana Jannu, Hon'ble Member

Complaint No. 237 of 2025

Asireddy Yaswanth
*(H.No.9-37/2, Khanapur, Khanapur Mandal,
Warangal District, Telangana- 506132)*

... Complainant

Versus

1. M/s. Subhamasthu Infra Projects
*(Plot No.36, H.No.: 4-63/3, Radha Nilayam,
Sneha Nagar, behind Hdfc Bank, Street
No.8. Habsiguda, Hyderabad-500007)*

2. Mr. Janagam Shekar Goud (Managing Director)
*(H.No: 3-16-110/629, Street No.2, Vasavi Nagar,
Ramanthapur, Amberpet, Hyderabad-500013)*

3. Mr. Bathula Israel (Managing Director)
*(H.No: 16-45, Gayathri Nagar, Medipally,
Feerzadhiguda, Medchal-Malkajigiri, Hyderabad-500039)*

... Respondents

Complaint No. 238 of 2025

Parvathapu Swarupa Rani
*(H.No.5-104/1, Khanapur, Khanapur Mandal,
Warangal District, Telangana- 506132)*

... Complainant

Versus

1. M/s. Subhamasthu Infra Projects
*((Plot No.36, H.No.: 4-63/3, Radha Nilayam,
Sneha Nagar, behind Hdfc Bank, Street
No.8. Habsiguda, Hyderabad-500007)*

2. Mr. Janagam Shekar Goud (Managing Director)
*(H.No: 3-16-110/629, Street No.2, Vasavi Nagar,
Ramanthapur, Amberpet, Hyderabad-500013)*

3. Mr. Bathula Israel (Managing Director)
*(H.No: 16-45, Gayathri Nagar, Medipally,
Feerzadhiguda, Medchal-Malkajigiri, Hyderabad-500039)*

... Respondents

Complaint No. 239 of 2025

Kuncharapu Venkat Reddy

*(H.No.2-48, VTC: Khanapur, Khanapur Mandal,
Warangal District, Telangana- 506132)*

... Complainant

Versus

1. M/s. Subhamasthu Infra Projects

*(Plot No.36, H.No.: 4-63/3, Radha Nilayam,
Sneha Nagar, behind Hdfc Bank, Street
No.8. Habsiguda, Hyderabad-500007)*

2. Mr. Janagam Shekar Goud (Managing Director)

*(H.No: 3-16-110/629, Street No.2, Vasavi Nagar,
Ramanthapur, Amberpet, Hyderabad-500013)*

3. Mr. Bathula Israel (Managing Director)

*(H.No: 16-45, Gayathri Nagar, Medipally,
Feerzadhiguda, Medchal-Malkajigiri, Hyderabad-500039)*

... Respondents

Complaint No. 240 of 2025

Kuncharapu Laxmi Srikanth Reddy

*(H.No.2-48, VTC: Khanapur, Khanapur Mandal,
Warangal District, Telangana- 506132)*

... Complainant

Versus

1. M/s. Subhamasthu Infra Projects

*(Plot No.36, H.No.: 4-63/3, Radha Nilayam,
Sneha Nagar, behind Hdfc Bank, Street
No.8. Habsiguda, Hyderabad-500007)*

2. Mr. Janagam Shekar Goud (Managing Director)

*(H.No: 3-16-110/629, Street No.2, Vasavi Nagar,
Ramanthapur, Amberpet, Hyderabad-500013)*

3. Mr. Bathula Israel (Managing Director)

*(H.No: 16-45, Gayathri Nagar, Medipally,
Feerzadhiguda, Medchal-Malkajigiri, Hyderabad-500039)*

... Respondents

COMMON FINAL ORDER

The present captioned complaints came up for hearing before this Authority in the presence of the Counsel for the Complainants, Sri Paladugula Raju, and the Counsel for Respondents Nos. 1, 2 & 3, Sri Thungunoori Balaraju. Upon hearing the arguments presented by the respective counsels, this Authority hereby passes the following **ORDER**:

2. The present Complaints have been filed by the Complainants under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the “RE (R&D) Act”) read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the “TG RE (R&D) Rules”) seeking appropriate relief(s) as against the Respondent No. 1 to 3 in accordance with the provisions of the RE(R&D) Act, 2016. The case of the Complainants in all the complaints arises on similar grounds. Likewise, the stand taken by the Respondent Nos. 1 to 3 in their counters is also same. Therefore, for the sake of convenience and to avoid repetition, the pleadings in Complaint No. 237 of 2025 are referred to herein below.

A. Brief facts of the case:

3. The above-captioned Complainants submit that they are residents of a rural area and were approached by Respondent No. 3, who hails from the same village and introduced a real estate project styled as “Marvel City of Yadadri Phase-II,” representing that the said project offered 1 BHK and 2 BHK suite houses at comparatively low prices and that it was allegedly approved under T.L.P. No. 15/2020/YTDA.

4. The Complainant submits that Respondent No. 3 represented that the project was situated in proximity to the Yadadri Temple and, on 14.11.2021, collected an advance amount of Rs.1,00,000/- each from the Complainants in CC Nos. 237/2025, 238/2025, and 240/2025 respectively and Rs. 2,00,000/- from the complainant in CCNo. 239/2025, as advance amount. A cash receipt was issued in the name of Subhamasthu Infra Project, duly signed by its Managing Director and Accountant, in favour of each of the Complainants respectively.

5. The Respondent No. 3 assured the Complainants that the said amounts were collected only towards booking, and that a formal agreement would be executed upon payment of 50% of the consideration amount towards the respective flats. However, on suspicion, the Complainants visited the project site, namely “Marvel City Phase-II”, and discovered that no development or construction activity had commenced. When the Complainants questioned the Respondents regarding the status of the project, they were allegedly subjected to abusive language, intimidation, and were forcibly driven away from the site.

6. Despite repeated attempts to contact Respondent Nos. 2 and 3 seeking clarification regarding the project status and refund of the amounts paid, the Respondents failed to respond positively and, on the contrary, allegedly issued threats and refused to refund the amounts, stating that no money would be returned to each of them.

B. Relief(s) Sought:

- i. To direct the Respondent Nos. 1 to 3 to refund an amount of Rs.1,00,000/- (Rupees One Lakh only) to each of the Complainants in CC Nos. 237/2025, 238/2025, and 240/2025 respectively, and Rs.2,00,000/- (Rupees Two Lakhs only) to the Complainant in CC No. 239/2025, together with the interest.*

C. Counter filed by the Respondent Nos.2 & 3

7. The Respondent Nos.2 & 3 filed their counter, and as their contentions are same, to avoid repetition, the same are dealt with conjointly. The Respondent Nos. 2 & 3 have admitted the contentions of the Complainants that the Complainant was introduced to their project “Marvel City @ Yadadri Phase-2” by Respondent No.3, that the project bears T.L.P. No.15/2020/YTDA approval, and that an amount of Rs.1,00,000/- (Rupees One Lakh only) was paid on 18.10.2020 by Complainant P. Swarupa Rani, on 14.11.2021 by the Complainants namely Asireddy Yashwanth and K. Laxmi Srikanth Reddy, and Rs. 2,00,000/- by K. Venkat Reddy on 07.07.2021 respectively and accordingly receipt were issued on behalf of M/s. Subhamasthu Infra Projects by them. They have also admitted the contention of the Complainants that units were offered at a low price. Believing their representations made the Respondent No.3 regarding the proximity of the project to Yadadri Temple, paid advance amounts towards booking.

8. But however, the Respondents have denied the allegations of the Complainants that they had assured the Complainants the payments made by them constituted only a booking, agreement would be executed upon payment of 50% of the consideration, no development activity had commenced at the project site and that the Complaints respectively were insulted and threatened by them (Respondents) are false, incorrect, baseless, and were denied by them in toto.

9. The Respondent Nos.2 & 3 are fully aware of the status of their project which was launched in the year 2019. Several customers have made payment of partial amounts while booking units in their above project suite rooms. The delay in development occurred due to the unforeseen COVID-19 pandemic during 2020-2021, constituting force majeure circumstances beyond their (Respondents) control and not due to any of their willful default. In the circumstances they most humbly prayed this Hon’ble Authority to direct the Complainants to

grant a period of six (6) months time, within which period they (Respondent Nos.2 & 3) would refund the amounts to the Complainants.

D. Rejoinder

10. In the rejoinder, the Complainants have denied the contentions raised and submissions made by the Respondents in the counter filed by them as false, frivolous, misleading, and devoid of merit.

11. Further, they contended that the request made by Respondents for six (6) months time to resolve the issue is unreasonable, unjustified, and a deliberate attempt to delay the proceedings, particularly when the project was launched in 2019 and no development activity has taken place even after four years. And as such they prayed to reject the request of the Respondents to grant six months time to resolve the issue.

E. Show Cause Notice:

12. While the matter stood thus this authority noticed that the Respondents "M/s Shubhamasthu Infra Projects" represented by its Managing Directors Janagaon Shekar Goud and B. Vijay Reddy, has been advertising/marketing/offer for sale and inviting persons to purchase units, in its project "Marvel city Phase II" situated at Yadadri gutta village of Yadadri Bhongir District without Registration of the project with TG-RERA, thereby contravening the provisions of section 3(1) and 4(1) of Real Estate Regulation and Development) Act, 2016. Further, upon verification of information available on the website of this TG RERA Authority, the alleged project was found to be not registered with this TG RERA and no application has been filed for getting registration of the project. Thus, the Respondent(s)/Promoter(s) contravened the section 3(1) and 4(1) of the RE (R&D) Act, 2016 which is punishable under section 59 and 60 of RE (R&D) Act, 2016. Hence, Show Cause notice bearing No. Rc.No.D2/897/2025 dated 31.07.2025 was issued to Respondents.

F. Reply to Show Cause Notice:

13. The Respondents submit that M/s. Subhamasthu Infra Projects is a duly registered partnership firm, having been registered on 27.08.2020, and since its inception has successfully executed several real estate development projects in strict compliance with all applicable statutory requirements; it is further submitted that the said firm has purchased certain plots from M/s. T. Homes, which are duly approved by HMDA and YTDA under T.L.P. No.

15/2020/YTDA, situated at Datharapally Village, Yadagirigutta Mandal, Yadadri-Bhongiri District, as detailed hereunder:

Sl. No.	Plot Nos.	Survey Nos.	Extent (Sq. Yards)	Doc. No.	Date
1	1 to 8	164/D5/5, 164/D5/4, 189/A3/1	1285.02	16616/2021	10.08.2021
2	17 to 19, 26 to 28	164/D5/5, 164/D5/4, 189/A3/1	1191.08	1865/2021	20.01.2021
3	20 to 25	164/D5/5, 164/D5/4, 189/A3/1	974.38	1867/2021	20.01.2021
4	44 to 45	164/D5/5, 164/D5/4, 189/A3/1	450.00	1866/2021	20.01.2021
5	54 to 62	164/D5/5, 164/D5/4, 189/A3/1	1428.00	16617/2021	10.08.2021

14. It is submitted that the Respondents neither advertised, marketed, nor made any proposal for sale of any plot, apartment, or building, and that they were only contemplating the commencement of a proposed project, namely “Marvel City Phase-II,” which was intended to be initiated in the year 2020; however, due to the unprecedented disruption caused by the COVID-19 pandemic during the period 2020-2021, resulting in severe financial instability globally, no steps were taken to commence the said project. It is further submitted that the brochure relied upon clearly specifies, by way of a note, that the same is merely a conceptual presentation of a proposed project and does not constitute a legal offer, and reserves the right to alter the same; thus, the project has not been implemented in any manner, and there is no violation of Sections 3 and 4 of the Real Estate (Regulation and Development) Act, 2016.

15. It is further submitted that, as promoters, in the event of any intention to commence the said project in future, the Respondents undertake to strictly comply with all applicable provisions of the Real Estate (Regulation and Development) Act, 2016; it is also pertinent to state that, for the purpose of the conceptual proposal, a portion of the land forming part of the approved layout has already been acquired by the Respondents. In view of the foregoing submissions and the undertaking furnished herein, it is prayed that the present matter be treated as closed.

G. Observation of the Authority:

16. This Authority has carefully examined the pleadings, material documents, and submissions placed on record by both parties. It is an admitted position, as borne out from the counter affidavit of Respondent Nos. 2 and 3, that the Complainants were introduced to the project named as “Marvel City Phase-II,” that certain amounts were collected from them towards booking, and that receipts were issued in the name of Respondent No.1. The receipt of consideration, therefore, stands unequivocally established and is not in dispute.

17. Accordingly, the payments made by the Complainants were not gratuitous in nature, but were induced by representations relating to the development of a residential project, including assurances regarding approval, location, and future execution of agreements of sale. The contention of the Respondents that there was no inducement is untenable in light of their own admission that the Complainants have booked units in the said project. The said booking of units would not have taken place unless they were offered for sale in the residential projects being developed by them.

18. This Authority further takes cognizance of the promotional material and brochure relied upon by the Complainants, which clearly evidences that the Respondents had undertaken systematic marketing of a structured real estate project. The project was projected with extensive amenities and facilities, coupled with detailed unit configurations, structured pricing, and stage-wise payment schedules. Such material unequivocally establish that the Respondents had conceptualized and offered a planned real estate development for sale to the public.

19. Further, the Respondents advertised specific residential units under the nomenclature of “Classic Suite Homes (1 BHK)” admeasuring approximately 400 sq. ft. and “Luxury Suite Homes (2 BHK)” admeasuring approximately 600 sq. ft., with detailed pricing structures, including inaugural offer prices, staged payment schedules, and additional charges. The existence of structured payment plans comprising booking amounts, instalments linked to stages of construction such as foundation, slab, brickwork, finishing, and final registration clearly establishes that the project was conceived and marketed as a real estate development project. It also contains representations suggestive of financial incentives and prospective benefits to purchasers. Such representations, in the absence of corresponding development or regulatory compliance, are liable to be construed as inducements intended to attract prospective purchasers/allottees.

20. A holistic reading of the brochure, payment schedules, and amenities detailed herein above demonstrates that the Respondents had not merely collected advances, but had in fact conceptualized, advertised, and offered for sale residential units in a planned layout with promised infrastructure and facilities. This squarely falls within the ambit of a “real estate project” involving development and sale of units to prospective buyers/purchasers/allottees.

21. For ease of reference, the definition of "real estate project" under Section 2(zn) of the Real Estate (Regulation and Development) Act, 2016 is extracted hereunder which reads as follows:

"real estate project" means the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartment, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto"

Further as per definition under Section 2(s) of RE(R&D) Act, 2016 "Development" means carrying out the Development of Immovable Property, Engineering or Other operations in, on, or, over under the land or making of any material change in any immovable property or land and including redevelopment.

Section 2(s) of the RE(R&D) Act, 2016 also provides that:

(s) "development" with its grammatical variations and cognate expressions, means carrying out the development of immovable property, engineering or other operations in, on, over or under the land or the making of any material change in any immovable property or land and includes re development;

Section 2(t) of the RE(R&D) Act, 2016 further provides that:

(t) "development works" means the external development works and internal development works on immovable property.

22. A conjoint reading of the aforesaid provisions establishes that once a promoter conceptualizes, advertises, and offers units for sale with structured payment mechanisms, the

same constitutes a “real estate project” within the definitions of the RE(R&D) Act, 2016 reproduced herein above.

23. At this juncture, it is apposite to examine the provisions of Section 3(1) of the RE (R&D) Act, 2016. The said provision mandates as follows:

“No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act:

Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act:

Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.”

24. In the present case, the material on record clearly establishes that the Respondents, advertised, marketed and offered for sale of the units in the said project and collected booking amounts during the years 2020-2021, subsequent to the coming into force of the Real Estate (Regulation and Development) Act, 2016, when that is so the Respondents under obligation to get their project registered with this Authority, but however, the Respondents have failed to obtain registration certificate of the project till date which was initiated long back during the year 2020-2021. As such the same squarely falls within the ambit under Section 3(1) of the RE(R&D) Act, 2016 which mandates compulsory registration, and the apparent continued collection of booking amounts without such registration constitutes a clear and direct violation of the statutory provisions.

25. Consequently, this Authority holds that the Respondents have undertaken marketing, booking, and collection of consideration in respect of a real estate project without obtaining mandatory registration, and have thereby acted in contravention of under Section 3 of the Real

Estate (Regulation and Development) Act, 2016, rendering themselves liable for consequences under the RE(R&D) Act.

26. As can be gathered from submission and admissions made by the Respondents in the counters filed by them in all the 4 complaints case numbers it is crystal clear that they have admitted accepting the booking amounts from Rs. 1,00,000/- (Rupees One Lakh only) was paid on 18.10.2020 by Complainant P. Swarupa Rani, on 14.11.2021 by the Complainants namely Asireddy Yashwanth and K. Laxmi Srikanth Reddy, and Rs. 2,00,000/- by K. Venkat Reddy on 07.07.2021 respectively and that of part they have also voluntarily undertook to refund the booking amounts received by them to the respective Complainants. In the circumstances it is pertaining to refer to the Section 18(1) of the RE (R&D) Act, 2016.

Section 18(1) of the RE (R&D) Act, 2016 reads thus:

“If the promoter fails to complete or is unable to give possession of an apartment, plot or building, —

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason, he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act.”

27. The material available on record clearly establishes, and the Respondent Nos. 2 and 3 having admitted the receipt of the said amounts, they are accordingly held liable to refund a sum of Rs.1,00,000/- (Rupees One Lakh only) each to the Complainants in CC Nos. 237/2025, 238/2025, and 240/2025, and a sum of Rs.2,00,000/- (Rupees Two Lakhs only) to the Complainant in CC No. 239/2025, together with applicable interest, in accordance with Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, framed under RE(R&D) Act i.e., at the rate of the current highest Marginal Cost of Lending Rate (MCLR) of the State Bank of India plus 2%, which at present is such 8.70% + 2%, aggregating to 10.70% per annum.

H. Directions of the Authority:

28. In light of the foregoing discussion, findings, and conclusions recorded hereinabove, and in exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, the following directions are hereby issued to the Respondents:

- i. The Secretary, Telangana RERA, shall initiate proceedings under Sections 59 and 60 of the RE (R&D) Act, 2016 for imposition of an appropriate penalty against the Respondents, subject to the approval of the Authority. The Respondent Nos. 1 to 3 are hereby restrained from advertising, marketing, booking, selling, or collecting any consideration in respect of the subject project without obtaining registration under Sections 3 and 4 of the RE (R&D) Act, 2016.
 - ii. The Respondent Nos. 2 and 3 are directed to refund amount of Rs.1,00,000/- (Rupees One Lakh only) to each of the Complainants in CC Nos. 237/2025, 238/2025, and 240/2025, and a sum of Rs.2,00,000/- (Rupees Two Lakhs only) to the Complainant in CC No. 239/2025, along with interest at the rate of 10.70% per annum to each of them, calculated from the respective dates of payment until the date of actual realization within a period of thirty (30) days from the date of receipt of this Order.
29. Failure to comply with this Order shall attract Section 63 of the RE (R&D) Act, 2016.
30. The Complaints are disposed of in lieu of the above directions. No order as to costs.

Sd/-
Sri. K. Srinivasa Rao
Hon'ble Member
TG RERA

Sd/-
Sri. Laxmi Narayana Jannu
Hon'ble Member
TG RERA

Sd/-
Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson
TG RERA